

# Annual Report 2022



**Tri-Star  
Power Ltd.**

## Company Information

Board of Directors:	Ms. Shamima Begum	Non Executive Chairperson
	Mr. Asad Ahmad	Chief Executive
	Mr. Jawed Ahmed Siddiqui	Non Executive Director
	Mr. Mohammad Zameer	Non Executive Director
	Mr. M. Haroon Saeed	Non Executive Director
	Mr. Tanvir Hasan	Non Executive Director
	Mr. Syed Imran	Independent Director

Auditors:	M/s. Feroze Sharif Tariq & Co. Chartered Accountants
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Audit Committee:	Mr. Syed Imran	Chairman
	Mr. Jawed Ahmed Siddiqui	Member
	Mr. M. Haroon Saeed	Member

Bankers:	Bank Al-Habib Ltd.
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Registered Office:	A/33, Central Commercial Area, Block 7/8, Main Shahrah-e-Faisal, KCHSU, Karachi.-75350.
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Shares Registrar / Transfer Agent:	Hameed Majeed Associates (Pvt) Ltd. 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
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Plant:	F/538, S.I.T.E., Karachi-75700
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## **Notice of Meeting**

Notice is hereby given that the Twenty Ninth Annual General Meeting of Tri-Star Power Ltd., will be held on Friday, October 28, 2022 at 10.30 am at F/538, S.I.T.E., Karachi to transact the following business:

1. Recitation from the HOLY QURAN.
2. To receive and adopt the audited accounts for the period ended June 30, 2022 together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
3. To appoint Auditors of the Company and fix their remuneration.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Company Secretary

Karachi: October 6, 2022.

### **NOTES:**

1. The Share Transfer books of the Company will remain closed from 24.10.2022 to 31.10.2022 (both days Inclusive).
2. Participation in the AGM proceeding via the video Conference facility:  
The AGM proceeding can also be attended via video conference facility. Shareholders interested to participate in the meeting are requested to email their Name, Folio Number, Cell Number, Computerized National Identity Card (CNIC) Number, and Number of shares held in their name with subject "Registration for Tri-Star Power Limited AGM" along with valid copy of both sides of CNIC at power@tristar.com.pk. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email.
3. A member entitled to attend AGM is entitled to appoint a proxy and vote in his place at the meeting. Proxy Forms in order to be effective must be received at the registered office of the Company at F/538, S.I.T.E., Karachi duly stamped, signed and witnessed, not later than 48 hours before the meeting.
4. CDC Shareholders or their Proxies are required to bring with them their Original CNIC or Passport along with the Participant's I.D. number and their account number at the time of attending AGM in order to authenticate their identity.
5. Proxy form must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC number must be mentioned on the form, along with attested copies of the CNIC or passport of the beneficial owner and the proxy.
6. In case of corporate entity, the Board of Directors' resolution / power of attorney with the specimen signature of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
7. Members are requested to notify any change in their addresses immediately to our Shares Registrar M/s. Hameed Majeed Associates (Pvt) Ltd., 4<sup>th</sup> Floor, Karachi Chamber, Hasrat Mohani Road, Karachi.

## ٹرائی اسٹارپاور لمیٹڈ نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے کہ ٹرائی اسٹارپاور لمیٹڈ کا انڈیسواں (29واں) سالانہ اجلاس عام (AGM) مورخہ 28 اکتوبر 2022ء بروز جمعہ صبح 10:30 بجے بمقام S.I.T.E.F/538 کراچی میں مندرجہ ذیل امور کو زیر غور لانے کے لئے منعقد ہوگا:

1. قرآن پاک کی تلاوت
2. 30 جون 2022ء کو اختتام پذیر سال کے لئے ڈائریکٹرز اور آڈیٹرز رپورٹ اور چیئرمین کی تجزیاتی رپورٹ کے ہمراہ پڑتال شدہ کھاتوں کو وصول کرنا اور اپنانا۔
3. کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کا مشاہیرہ طے کرنا۔
4. چیئرمین کی اجازت سے دیگر امور کو زیر غور کرنا۔

منجانب / برائے بورڈ  
کمپنی سیکریٹری

کراچی: 16 اکتوبر 2022ء

### مندرجات:

1. شیئر ٹرانسفر books مورخہ 24 اکتوبر 2022ء سے 31 اکتوبر 2022ء (بشمول دونوں ایام) تک بند رہیں گی۔
2. سالانہ اجلاس عام کی کارروائی میں ویڈیو کانفرنس سہولت کے ذریعے شرکت  
AGM کی کارروائی میں ویڈیو کانفرنس سہولت کے ذریعے بھی شرکت کی جاسکتی ہے۔ اجلاس میں شرکت کرنے کے خواہش مند شیئر ہولڈرز سے گزارش ہے کہ وہ اپنا نام، فوئیو نمبر، سیل نمبر اور کمپیوٹرائزڈ شناختی کارڈ نمبر اور اپنے ملکیتی حصص کی تعداد بمعہ شناختی کارڈ کی دونوں اطراف کی کارآمد نقل عنوان کے خانے میں ”ٹرائی اسٹارپاور لمیٹڈ کی AGM میں شرکت کے لئے رجسٹریشن“ تحریر کر کے [power@tristar.com.pk](mailto:power@tristar.com.pk) پر ای میل کریں۔ ویڈیو لنک اور لاگ ان کی تفصیلات صرف انہی اراکین کے ساتھ شیئر کی جائیں گی جن کے ای میل ایڈریس بمعہ تمام تر



درکار معلومات AGM کے انعقاد سے کم از کم 48 گھنٹے قبل موصول ہو جائیں۔ شیئر ہولڈرز AGM کے ایجنڈا آئٹمز کی بابت اپنی تجاویز اور سوالات بھی ای میل کے ذریعے بھیج سکتے ہیں۔

3. AGM میں شرکت کا اہل رکن اپنی جگہ پر کسی مقرر کر سکتا ہے اور اس کی جگہ اجلاس میں ووٹ کر سکتا ہے۔ مؤثر کرنے کی غرض سے باقاعدہ پُر شدہ، مہر، دستخط اور کواہان سے تصدیق شدہ پر کسی فارم کمپنی کے رجسٹرڈ آفس واقع S.I.T.E.F/538 کراچی کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے۔

4. CDC شیئر ہولڈرز یا ان کے پر کسی کو اپنی شناخت ثابت کرنے کے لئے AGM کے موقع پر اپنے اصلی شناختی کارڈ اور پاسپورٹ بمعہ شراکت آئی ڈی اور اکاؤنٹ نمبر ہمراہ لانا ہوگا۔

5. دو کواہان، جن کے نام، پتے اور شناختی کارڈ فارم پر درج ہوں، سے باقاعدہ تصدیق شدہ پر کسی فارم بمعہ مستفید ہونے والے رکن اور پر کسی کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل کمپنی کو مقررہ وقت پر لازمی جمع کرایا جائے۔

6. کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ پر کسی ہولڈر کے نمونہ کے دستخط پر کسی فارم کے ہمراہ کمپنی کو جمع کرایا جائے (اگر قبل ازیں جمع نہ کرایا گیا ہے)۔

7. اراکین سے گزارش ہے کہ اپنے ڈاک کے پتہ میں تبدیلی سے متعلق فوری طور پر شیئر رجسٹراری میسرز حمید مجید ایسوسی ایشن (پرائیویٹ) لمیٹڈ دفتر واقع چوتھی منزل، کراچی جیمبر، حسرت موہانی روڈ، کراچی کو آگاہ کیا جائے۔

## **Chairman's Review**

It gives me immense pleasure to communicate with our valued members and stakeholders and to present the Annual Report of Tri-Star Power Limited for the year ended June 30, 2022 and to appraise them on the overall performance of the Board and the effectiveness of the role played by the Board in achieving the Company's objectives by illustrating the overall performance and achievements of the Company.

I extend my appreciation to the company and its management for following the best practices relating to corporate governance and complies with all the relevant requirements of Companies Act, 2017 and the Code of Corporate Governance as per Listed Companies (Code of Corporate Governance) Regulations, 2019. The board members continued to ensure and extend their guidance to the management to meet all legal and regulatory requirements.

Here, I would also like to place on record my sincere appreciation to our staff members for their valuable services and to the shareholders / other stakeholders for their continued support and trust towards the management and the Company.

**Shamima Begum**  
Chairperson

Place: Karachi  
Dated: October 6, 2022

## چیرمین کا تجزیہ

میں 30 جون 2022ء کو اختتام پذیر سال کے لئے اپنے معزز اراکین اور اسٹیک ہولڈرز کو ٹرائی اسٹار پاور لمیٹڈ کی سالانہ رپورٹ ازراہ مسرت پیش کرتی ہوں اور بورڈ کی مجموعی کارکردگی اور کمپنی کی کارکردگی اور کامیابیوں کی عکاسی کرنے والے کمپنی کے مقاصد حاصل کرنے میں بورڈ کے مؤثر کردار کی قدر کرتی ہوں۔

میں بہترین کاروباری عمل داری اور کمپنیز ایکٹ 2017ء کے متعلقہ اصولوں اور رولز کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کی تعمیل پر کمپنی اور اس کی انتظامیہ کو خراج تحسین پیش کرتی ہوں۔ بورڈ اراکین نے تمام قانون و ریگولیٹری معیارات کو پورا کرنے میں انتظامیہ کی مسلسل رہنمائی کو یقینی بنایا ہے۔

یہاں میں اپنے عملے کے تمام اراکین کی گراں قدر خدمات اور انتظامیہ اور کمپنی پر شیئر ہولڈرز/ دیگر اسٹیک ہولڈرز کے مسلسل بھروسے اور حمایت پر شکریہ ادا کرتی ہوں۔

شمیمہ بیگم

چیر پرسن

مقام: کراچی

تاریخ: 6 اکتوبر 2022ء

## Directors' Report

The audited accounts of the Company for the year ended June 30, 2022 are presented herewith.

### 1. FINANCIAL RESULTS

Financial results are as summarised as follows:

	2022	2021
	<i>Rupees</i>	
Sales	-	14,114,000
Lease Rental	11,953,800	-
	<b>11,953,800</b>	<b>14,114,000</b>
Cost of Sales	3,192,025	10,237,416
<b>Gross Profit</b>	<b>8,761,775</b>	<b>3,876,584</b>
<b><u>Less: Operating Expenses</u></b>		
Administrative & General Expenses	840,968	621,436
Operating Profit	7,920,808	3,255,148
Finance Cost	190	205
	<b>7,920,618</b>	<b>3,254,943</b>
Other Income	2,420,600	2,081,059
Profit before Taxation	<b>10,341,218</b>	<b>5,336,002</b>
<b><u>Taxation</u></b>		
Current Year	(4,347,335)	-
Prior Year	(10,515)	-
<b>Profit After Taxation</b>	<b>5,983,368</b>	<b>5,336,002</b>
Earning per share – basic	0.40	0.36

### 2. DIVIDEND

The Board has not recommended any dividend this year.

### 3. BOARD OF DIRECTORS

The Board of Directors assumed their office with effect from 28.12.2020 for 3 years.

### 4. AUDITORS

The present auditors M/s. Feroze Sharif Tariq & Co., Chartered Accountants, are due for retirement and being eligible offer themselves for reappointment.

### 5. STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAME WORK

- a. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations' cash flows and change in equity.

- b. Proper books of accounts of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure therefrom has been adequately disclosed.
- e. The system of internal control is sound and designed and have been effectively implemented and monitored.
- f. There are no significant doubts upon the Company's ability to continue as going concern.
- g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h. No trading of Company Shares were done by Chief Executive, Directors, Company Secretary and their spouses.
- i. Key operating and financial data for the last six years in summarized form is annexed.
- j. During the year (4) meetings of the Board of Directors were held, attendance by each Director is as follows:

Name of Director		No. of Meetings attended
Mr. Asad Ahmad	Director	04
Mrs. Shamima Begum	Director	04
Mr. Jawed Ahmad Siddiqui	Director	04
Mr. M. Zameer	Director	04
Mr. Syed Imran	Director	04
Mr. Tanvir Hasan	Director	04
Mr. M. Haroon Saeed	Director	04

- k. The pattern of share holding is annexed.

## 6. ACKNOWLEDGMENTS

The Board would like to place on record its appreciation of hard work of the staff responsible for the Company's affairs.

By Order of the Board

**Asad Ahmad**  
Chief Executive

Karachi: October 06, 2022

## ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 30 جون 2022ء کو اختتام پذیر سال کے لئے انٹیمو (29 ویں) سالانہ رپورٹ کے ہمراہ پڑتال شدہ کھاتے از راہ مسرت پیش کرتے ہیں۔

### مالیاتی نتائج:

زیر جائزہ سال کے دوران کمپنی کو 5,983,368 روپے کا فائدہ ہوا۔ مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

2021ء	2022ء	
..... روپے .....		
14,114,000	-	سیلز
-	11,953,800	لیز ریٹیل
10,237,416	3,192,025	سیل اخراجات
3,876,584	8,761,775	کل منافع
		<b>آپریٹنگ اخراجات</b>
(621,436)	(840,968)	انتظامی و عمومی اخراجات
(205)	(190)	فنانس اخراجات
3,254,943	7,920,618	کل منافع
2,081,059	2,420,600	دیگر آمدنی
5,336,002	10,341,218	نفع بمعہ ٹیکسیشن
		ٹیکسیشن
-	(4,347,335)	اس سال
-	(10,515)	گزشتہ سال
5,336,002	5,983,368	نفع علاوہ ٹیکسیشن
0.36	0.40	فی حصص آمدنی - بنیادی

## شیر، ہولڈرز کو ادائیگی

بورڈ آف ڈائریکٹرز نے مذکورہ سال کے لئے کوئی منافع منقسمہ تجویز نہیں کیا ہے۔

## منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30 جون 2022ء کو اختتام پذیر سال کے لئے کسی منافع منقسمہ کا فیصلہ نہیں کیا ہے۔

## بورڈ آف ڈائریکٹرز

حالیہ بورڈ آف ڈائریکٹرز نے 28 دسمبر 2020ء سے عرصہ تین برس کے لئے اپنے فرائض کی انجام دہی کا آغاز کیا۔

## آڈیٹرز

حالیہ آڈیٹرز میسرز فیروز شریف طارق اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے والے ہیں اور اہلیت کی بنا پر اپنی دوبارہ تقرری کی سفارش کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس کے تحت آڈٹ کمیٹی بورڈ نے آئندہ برس کے لئے بطور کمپنی آڈیٹر میسرز فیروز شریف طارق اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔

## مارکیٹ کا جائزہ

### کاروباری و مالیاتی رپورٹنگ فریم ورک پر اعلامیہ

- (a) کمپنی کی انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس سرمایے میں تبدیلی، کیش فلو، آپریشنز کے نتائج اور کاروباری امور کی بہترین عکاسی کرتی ہیں۔
- (b) کمپنی کے کھاتوں کی صحیح کتابیں تیار کی گئی ہیں۔
- (c) مالیاتی اسٹیٹمنٹس کی تیاری میں موافق اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات موزوں فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- (d) مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے سقم کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔
- (e) داخلی نظم و نسق کا ایک مربوط سسٹم قائم اور موثر انداز میں نافذ کیا گیا ہے اور اس کی باقاعدہ نگرانی کی جاتی ہے۔
- (f) کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی ابہام نہیں ہے۔
- (g) لسٹنگ ضوابط میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی سقم موجود نہ ہے۔
- (h) مذکورہ سال کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

## اجلاس میں حاضری کی تعداد

4	جناب اسد احمد
4	محترمہ شمیمہ بیگم
4	جناب جاوید احمد صدیقی
4	جناب محمد ضمیر
4	جناب سید عمران
4	جناب تنویر حسن
4	جناب محمد ہارون سعید

## کوڈ آف کارپوریٹ گورننس کی بہترین عمل داری پر تعمیل کا اعلامیہ

صفحہ 12 اور 13 پر موجود ہے۔

## مالیاتی خلاصہ

صفحہ 26 پر موجود ہے۔

## شیئر ہولڈنگ کی وضع

صفحہ 41 پر موجود ہے۔

## آڈیٹرز

حالیہ آڈیٹرز میسرز فیروز شریف طارق اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے والے ہیں اور اہلیت کی بنا پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔

## اظہار تشکر

آپ کے ڈائریکٹر فنڈ کے افسران اور عملے کی جذبے اور ان تھک محنت اور شیئر ہولڈرز کی جانب سے فنڈ پر اعتماد کا اظہار کرنے پر اپنی حوصلہ افزائی کو ریکارڈ پر رکھنا چاہتے ہیں۔

منجانب بورڈ

جاوید احمد صدیقی

ڈائریکٹر

اسد احمد

چیف ایگزیکٹو

تاریخ: 16 اکتوبر 2022ء مقام کراچی



## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Year ended: June 30, 2022

The Company has applied the principles contained in the Code in the following manner.

1. The total number of directors are 7 as per the following:
  - a. Male: 6
  - b. Female: 1
2. The composition of board is as follows:

Independent Director	Mr. Syed Imran
Non - Executive Director	Ms. Shamima Begum Mr. Jawed Ahmed Siddiqui Mr. Mohammad Zameer Mr. Mohammad Haroon Saeed Mr. Tanvir Hasan
Executive Director	Mr. Asad Ahmad (CEO)
Female Director	Ms. Shamima Begum
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Chief Executive and all Directors have the prescribed education and experience required for exemption under Clause 19(2) of Code of Corporate Governance (CCG) Regulations. Accordingly, they are exempt from attending directors' training program pursuant to the Clause 19(2) of the CCG Regulations.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:
- |                                  |  |
|----------------------------------|--|
| a) Audit Committee               | Mr. Syed Imran (Chairman)<br>Mr. Jawed Ahmed Siddiqui<br>Mr. Mohammad Haroon Saeed |
| b) HR and Remuneration Committee | Mr. Syed Imran (Chairman)<br>Mr. Jawed Ahmed Siddiqui<br>Mr. Mohammad Haroon Saeed |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:
- |                                  |           |
|----------------------------------|-----------|
| a) Audit Committee               | Quarterly |
| b) HR and Remuneration Committee | Annually  |
15. The Board has set up an effective internal audit function/or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of internal audit, Company Secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Place: Karachi  
Dated: October 6, 2022

Asad Ahmad  
Chief Executive

## **Independent Auditor's Review Report to the members of Tri-Star Power Limited**

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Tri-Star Power Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instances of Non-compliances with the requirements of the Code were observed which are not stated in the Statement of Compliance.

- a) The composition of board has includes one independent director the Code requires independent directors shall not be less than two or one third of the total members of the board, whichever is higher, whereas board include one independent director.

Based on our review, except for the instances of non compliance, above, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

sd/-  
Feroze Sharif Tariq & Co.  
Chartered Accountants

Place: Karachi  
UDIN: CR202210129fNIQ7r5PM  
Dated: October 6, 2022

## **Independent Auditor's Report to the members of Tri-Star Power Limited**

### **Report on the Audit of the Financial Statements**

#### **Qualified Opinion**

We have audited the annexed financial statements of Tri-Star Power Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the Statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the Statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### **Basis for Qualified Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

- a) We have not been able to verify the investment made in units of National Investment Trust (NIT) amounting to Rs. 34,594,845 (2021: 34,594,845) as disclosed in note 12.2 to the financial statements. Further, No provision has been made in the accounts for the NIT investments the recovery and realization of which are doubtful, the same has been explained in Note No. 12.2.1 to the financial statements. Had the provision for doubtful investment been made in the accounts, the losses of the Company would have been increased by Rs. 34,594,845 (2019: 34,594,845) and the Shareholder's Equity would have been decreased by the same amount.
- a) The company has disclosed Investment in Associated companies First Tri-Star Modaraba and Tri-Star Energy Limited and as available for sales investment in note 12.1.1 and 12.1.2 to the financial Statements. In our opinion, these investments has to be shown / valued at equity method in accordance with International Accounting standard 28" Investment in associates". We are unable to quantify the effect of the Tri-Star Power Limited as latest audited accounts are not available as of reporting date.

Had the company valued the investment in Tri-Star Modaraba on equity method and the impairment would have been recognized, the profit for the year would have been increased by Rs. 13,529 and accumulated

loss would be higher and Shareholders equity and Long Term Investment would have been reduced by Rs. 1,096,520.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report other than the matters described in the basis for qualified opinion section.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information in the annual report including in particulars, the Chairman's Review, Directors Report, Financial and business highlights, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and Reporting standards as applicable in Pakistan and the Requirements of companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit except for the matter discussed in basis for qualified opinion section, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

- (b) the statement of financial position, the statement of profit or loss, the statement of comprehensive Income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Tariq.

**Other matters**

The financial statements of Tri-Star Power Limited for the year ended June 30, 2021 and December 31, 2021 were audited by another auditor who expressed modified opinion on those financial statements on October 5, 2021 and February 28, 2022.

sd/-  
Feroze Sharif Tariq & Co.  
Chartered Accountants

Place: Karachi  
UDIN: AR202210129zAGVv0SBX  
Dated: October 6, 2022

## **Vision Statement**

Tri-Star Power Limited is committed to strive for excellence in all areas of its activity.

## **Mission Statement**

We view our business objective of providing distinctive financial products and services that promote commerce and industry with in the context of our overall objective of contributing to the nation's prosperity.

## **Core Value**

1. Striving for continuous improvement and innovation with commitment and responsibility;
2. Treating stakeholders with respect, courtesy and competence;
3. Practicing highest personal and professional integrity;
4. Maintaining teamwork, trust and support, with open and candid communication;
5. Ensuring cost consciousness in all decisions and operations.

## **Statement of Ethics and Business Practices**

The articulation of this statement is based on following points:-

1. Questionable and improper payments or use of the Company's assets.
2. Political contributions.
3. Conflicts on interest.
4. Books and records of the Company.
5. Payment of amounts due to customers, agents or distributors.
6. Reporting violations.
7. Means as important as the end.
8. Integrity and scrupulous dealings.
9. Strict observance of the laws of the country.
10. Giving and receiving gifts.



## Balance Sheet

Notes June 30, 2022 June 30, 2021  
(Rupees)

### EQUITY AND LIABILITIES

#### CAPITAL & RESERVES

##### Authorized Capital

15,000,000 (2021: 15,000,000) Ordinary Shares of Rs. 10/- each 150,000,000 150,000,000

Issued, Subscribed and Paid-up Capital 6 150,000,000 150,000,000

##### **Capital Reserve**

Capital Reserve - (a Share Premium account) 70,000,000 70,000,000

##### **Revenue Reserve**

Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income (1,402,000) 1,366,950

Accumulated (Loss) (31,696,201) (37,679,568)

Shareholders Equity 186,901,799 183,687,382

#### CURRENT LIABILITIES

Trade and Other Payables 7 4,770,253 2,088,809

Unclaimed Dividend 8 5,025,285 5,025,285

Provision for Income Tax 10 - -

Provision for taxation 9 4,357,850 -

14,153,388 7,114,094

Contingencies and Commitments 10 - -

**201,055,187** **190,801,476**

**as at June 30, 2022**

	Notes	June 30, 2022	June 30, 2021
		Rupees	
<b><u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
Tangible Fixed Assets			
Property, Plant and Equipments	11	3,535,438	3,928,347
Long Term Investments	12	76,902,845	79,671,795
Long term Loan to Related Party	13	20,000,000	20,000,000
<b><u>CURRENT ASSETS</u></b>			
Stores, Spares and Loose Tools	14	356,349	1,995,549
Trade Debtors - unsecured	15	40,000,930	26,760,930
Interest Receivable from Related Party		2,000,000	13,669,041
Advance Deposits and Prepayments - Considered good	16	11,495,600	75,000
Income Tax Refunds and Advances		2,241,185	190,829
Cash and Bank Balances	17	44,522,840	44,509,985
		100,616,904	87,201,334
		<b>201,055,187</b>	<b>190,801,476</b>

The annexed notes form an integral part of these accounts.

Chief Executive

Director

Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Notes	2022 (Rupees)	2021
RENTAL INCOME/ SALES - Net	18	11,953,800	14,114,000
COST OF SALES	19	3,192,025	10,237,416
GROSS PROFIT		8,761,775	3,876,584
<u>Operating Expenses</u>			
Administrative and General Expenses	20	840,968	621,436
		840,968	621,436
OPERATING PROFIT		7,920,808	3,255,148
Finance Cost	21	190	205
		7,920,618	3,254,943
Other Income / (Charges)	22	2,420,600	2,081,059
PROFIT BEFORE TAXATION		10,341,218	5,336,002
<u>Taxation</u>			
- Current	9	(4,347,335)	--
- Prior		(10,515)	--
- Deferred	5.3	--	--
		(4,357,850)	--
PROFIT AFTER TAXATION		5,983,367	5,336,002
Earning Per Share - Basic	23	0.40	0.36

*The annexed notes form an integral part of these accounts.*

Chief Executive

Director

Chief Financial Officer

# STATEMENT OF CASH FLOW

## FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees)	
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Profit/(Loss) before Taxation	10,341,218	5,336,002
<b><u>Adjustment for Non-Cash and Other Items:</u></b>		
Depreciation	392,909	436,587
Financial Expenses	190	205
	393,099	436,792
	10,734,317	5,772,794
<b><u>Working Capital Changes</u></b>		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	1,639,200	709,000
Trade debtors	(13,240,000)	(13,914,000)
Advances, Deposits and Prepayments	(11,420,600)	--
Interest Receivable from Related Party	11,669,041	(2,010,959)
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	2,681,444	250,302
	(8,670,915)	(14,965,657)
<b><u>Cash Flow from Investing Activities</u></b>		
Sales Proceeds from Fixed assets	--	--
	(8,670,915)	(14,965,657)
Taxes Paid	(2,050,357)	(11,992)
Financial charges Paid	(190)	(205)
	(2,050,547)	(12,197)
<i>Net Cash Inflow/ (Outflow) from Operating Activities</i>	12,855	(9,205,060)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan recovered from Related Party	--	--
Net Increase in Cash and Cash Equivalents	12,855	(9,205,060)
Cash and Cash Equivalents at the Beginning	44,509,985	53,715,045
Cash and Cash Equivalents at the End	44,522,840	44,509,985

*The annexed notes form an integral part of these accounts.*

Chief Executive

Director

Chief Financial Officer

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021
	(Rupees)	
<b>Profit for the Year</b>	5,983,367	5,336,002
<b>Items that will not be subsequently reclassified to profit or loss:</b>		
<b>Other comprehensive Income:</b>		
Financial Asset at Fair value through other Comprehensive income	(2,768,950)	2,768,950
<b>Total comprehensive Income for the year</b>	<u><u>3,214,417</u></u>	<u><u>8,104,952</u></u>

*The annexed notes form an integral part of these accounts.*

Chief Executive

Director

Chief Financial Officer

**STATEMENT OF CHANGE IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2022**

		Capital Reserve	Revenue Reserve		
	Share Capital	Capital Reserve	Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income	Unappropriated Profit/Accumulated (Loss)	Total
Balance as on June 30, 2020	150,000,000	70,000,000	(1,402,000)	(43,015,570)	175,582,430
Net Profit for the year ended June 2021	--	--		5,336,002	5,336,002
Other Comprehensive income			2,768,950		2,768,950
Total Comprehensive income	--	--	2,768,950	5,336,002	8,104,952
Balance as on June 30, 2021	150,000,000	70,000,000	1,366,950	(37,679,568)	183,687,382
Net Profit for the year ended June 2022	--	--		5,983,367	5,983,367
Other Comprehensive income			(2,768,950)		(2,768,950)
Total Comprehensive income	--	--	(2,768,950)	5,983,367	3,214,417
Balance as on June 30, 2022	150,000,000	70,000,000	(1,402,000)	(31,696,201)	186,901,799

*The annexed notes form an integral part of these accounts.*

Chief Executive

Director

Chief Financial Officer

## LAST SIX YEAR RESULTS AT A GLANCE FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017
<b><u>Financial Position</u></b>						
Paid-up Capital (Rs.)	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
Reserves (Rs.)	36,901,799	33,687,383	25,582,430	20,192,616	15,168,123	6,786,307
Fixed Assets-WDV (Rs.)	3,535,438	3,928,347	4,364,934	4,850,057	13,285,994	14,762,421
Investments at Cost (Rs.)	78,304,845	78,304,845	78,304,845	78,304,845	78,304,845	78,304,845
Investments at Market Value (Rs.)	76,902,845	79,671,795	76,902,845	77,253,345	76,895,835	78,998,835
Current Assets (Rs.)	100,616,904	87,201,334	81,178,443	54,413,932	41,216,536	32,589,774
Current Liabilities (Rs.)	14,153,388	7,114,094	6,863,792	6,324,718	6,230,242	9,564,723
<b><u>Income</u></b>						
Sales (Rs.)	-	14,114,000	16,034,490	29,574,846	51,714,859	60,387,464
Lease Rental (Rs.)	11,953,800	-	-	-	-	-
Net Profit/(Loss) for the year (Rs.)	5,983,368	5,336,002	5,740,314	4,666,983	10,484,816	7,555,093
Accumulated Profit/(Loss) (Rs.)	(31,696,201)	(37,679,567)	(43,015,570)	(48,755,884)	(53,422,867)	(63,907,683)
<b><u>Statistics &amp; Ratios</u></b>						
Gross Profit/(Loss) Ratio (%)	73.30	27.47	22.43	20.17	12.52	13.67
Net Profit/(Loss) Ratio (%)	50.05	37.81	35.80	15.78	20.27	12.51
Current Ratio	7.11	12.26	11.83	8.60	6.62	3.41
Paid-up Value Per Share (Rs.)	10	10	10	10	10	10
Earning/(Loss) Per Share (Rs.)	0.399	0.356	0.380	0.310	0.699	0.500
Net Assets (Rs.)	186,901,799	183,687,383	175,582,430	170,192,616	165,168,123	156,786,307
Net Assets Value Per Share (Rs.)	12.46	12.25	11.71	11.35	11.01	10.45
Cash Dividend (%)	-	-	-	-	-	-
Bonus Dividend (%)	-	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 1 CORPORATE INFORMATION

Tri-Star Power Limited (the Company) was incorporated in Pakistan, as a public limited company on September 27, 1993 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and its shares are listed in the Pakistan Stock Exchange in Pakistan. The principal activity of the Company is to generate, distribution and Supply of Electricity and lease of power generating plant to customers.

- 1.1** During the year from July 1, 2021 the Company entered into an agreement with related party i.e. Image Pakistan Limited to provide Power Plant already installed in the premises of the said Company. The Company previously charged billing of Electricity/ unit basis. Now from July 1, 2021 the same electricity production facility has been provided on Rental Basis.

The geographical location and address of the company's business units, including mill/plant are as under:

The registered office of the company is located at A/33, Central Commercial Area, Block 7/8, KCHSU, Main Shahrah-e-Faisal, Karachi , Pakistan.

The Generation/manufacturing facility is located at F/538, S.I.T.E., Karachi - 75700, Pakistan, which is not the property of the company. The same premises is obtained from related party of the Company to install the Plant.

#### **1.2 Summary of significant events and transactions in the current reporting period**

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed either in the notes to these financial statements or in the Directors' report.

### 2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standard issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 3 BASIS OF PREPARATION/MEASUREMENT

The financial statements have primarily been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except quoted investment in related parties valued at Fair Market Value. and for cash flow information.

### 4 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on October 06, 2022.

### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

year except application of new amendments and interpretations in the International Accounting Standards as described below in note 5.1.

#### **5.1 STANDARDS, AMENDMENTS, INTERPRETATION AND IMPROVEMENTS APPLICABLE TO THE FINANCIAL STATEMENTS**

- 5.1.1** Amendments to approved accounting standards and the framework for financial reporting that became effective during the year
- The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current year:

##### **Amendment or Framework**

IFRS 3 - Business Combinations - Definition of a Business (Amendments)

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)

IAS 1 / IAS 8 - Definition of Material (Amendments)☐

Conceptual Framework for Financial Reporting



The adoption of above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Company's financial statements.

#### 5.1.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment or Improvement		Effective date (annual periods beginning on or after)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and Interest Rate Benchmark Reform - Phase 2 (Amendment) IFRS 16		01 January 2022
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2022 (Amendments)	01 April 2022
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	01 January 2023
IAS 8	Definition of Accounting Estimates (Amendments)	01 January 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction	01 January 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
<b>Improvements to Accounting Standards Issued by the IASB (2018-2021 cycle)</b>		
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16	Leases: Lease incentives	01 January 2022

The above amendments and improvements are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard		IASB effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

## 5.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

#### 5.2.1 **Property, plant and equipment**

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the recommendation of technical team of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of tangible fixed assets with a corresponding affect on the depreciation charge and impairment.

#### 5.2.2 **Taxation**

In making the estimates for income taxes payable by the Company, the management considers applicable tax laws and the decisions of appellate authorities on certain cases issued in past. Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

#### 5.2.3. **Store and spares and Stock-in-trade**

The Company reviews the Net Realizable Value (NRV) of stock-in-trade to assess any diminution in the respective carrying values.

#### 5.2.4 **Provision for doubtful receivables**

A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. These estimates and underlying assumptions are reviewed on an ongoing basis.

#### 5.2.5 **Contingencies**

The assessment of the contingencies inherently involves the exercise of significant judgment as the out come of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates at the value of contingent assets and liabilities which may differ on the occurrence/non occurrence of the uncertain future events.

### 5.3 **Taxation**

#### ***Current Year***

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher and tax paid on final tax regime basis. Alternate Corporate Tax is calculated in accordance with the provisions of Section 113C of Income Tax Ordinance.

#### ***Deferred***

Deferred tax is provided Proportionate to local sales using the liability method on all temporary differences at the balance sheet date, between the tax bases of assets and liabilities and their carrying amount for financial statements reporting purposes. Deferred tax liabilities are generally recognized for all temporary taxable differences.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the assets is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date.

No deferred tax has been provided during the year due to the company are exempt from levy of Income tax under clause 132 of the second Schedule to the Income Tax Ordinance, 2001.

### 5.4 **Property, Plant and Equipment**

#### **Initial recognition**

All items of property, plant and equipment are initially recorded at cost.

#### **Subsequent measurement**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any; except for capital works in progress (if any) which are stated at cost accumulated up to the balance sheet date.

Buildings and leasehold improvements are measured at cost less accumulated depreciation and impairment loss (if any).

### **Depreciation**

Full Years Depreciation is charged on acquisition or transfer of assets from capital work in progress, while no depreciation is charged on assets disposed off during the year. Depreciation is charged to income using reducing balance method, at the rates specified in the annexed schedule in note no. 11 to the financial statements, whereby the cost/revalued amounts of asset is written off over its estimated useful life, reflecting the approximate value of the consumption of the respective assets economic benefits. The depreciation method and useful lives of the items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly

The property, plant and equipment acquired under finance Right for use of Assets is depreciated over the shorter of the useful life of the asset and the lease term.

### **Disposal**

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss. In case of the sale or retirement of a revalued items, the attributable revaluation surplus remaining in the surplus on revaluation of such item is transferred directly to the unappropriated profit.

### **Judgment and estimates**

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

### **- Repairs, renewals and maintenance**

Major repairs and renewals are capitalized. Normal repairs and maintenance are charged as expense when incurred. Gains or losses on disposal or retirement of assets are determined as the difference between the sale proceeds and the carrying amounts of these assets, and are included in the income currently.

### **5.5 Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

### **5.6 Lease Liability**

Lease liabilities The Company assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset."

**5.7 Impairment of non-financial assets other than inventories**

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

**5.8 Investment**

Investment at fair value of investment through other comprehensive income are initially recognized at cost being the fair value of the consideration given including acquisition charges associated with. After initial recognition of investment are premeasured at fair value. Unrealized gains and losses on investment are recognized in other comprehensive income as required by IFRS 9 till the investment is sold or otherwise disposed off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income. Measurement made as per IFRS 9 and disclosed the fair value as Price Quoted in Pakistan stock exchange

Investments in NIT's are stated at cost due to litigation with the Income tax department as fully described in note 12.2 and 12.2.1 to the financial statements.

**5.9 Stores, Spares and Loose Tools**

These are stated at the lower of cost and net realizable value (NRV). The cost of inventory is based on the FIFO basis. Items in transit are stated at cost accumulated upto the date of the balance sheet.

Stores, spares and loose tools are regularly reviewed by the management and any obsolete items are brought down to their NRV.

Net Realizable Value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make the sale.

**5.10 Stock-in-Trade**

These are valued as follows:

Raw Material : At lower of weighted average cost or net realizable value. Cost of raw material and components represents invoice value plus other charges paid thereon.

Stock-in-Transit : At cost accumulated upto the balance sheet date.

Stock in trades are regularly reviewed by the management and any obsolete items are brought down to their NRV.

**5.11 Trade Debts and other Receivables**

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts, if any. Provision for doubtful debts / other receivables is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

**5.12 Post Employment Benefits - Defined Benefit Plan**

The Company operates an unfunded gratuity scheme for its staff during the year the company has not made the provision for gratuity due to all the employees are contractual.

### 5.13 Foreign Currency Translation

Transactions in foreign currencies are initially recorded using the rates of exchange ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the exchange rates prevailing on the balance sheet date. In order to hedge its exposure to foreign exchange risks, the company enters into forward exchange contracts. Such transactions are translated at contracted rates. All exchange differences are included in the Profit and Loss Account.

### 5.14 Revenue Recognition

Rentals are recognised as income on an accrual basis, as and when rentals become due.

Revenue from supply of electricity is recognised on issue of bills on monthly basis to its customers. Performance obligation satisfied when supplied the Electricity.

Unrealized gains/(losses) arising on revaluation of securities classified as “financial assets at fair value through other comprehensive income in the income statement in the period in which they arise.

Dividend income is recognized on the basis of declaration by the investee company.

Other Income/Scrap Sales is recognized on accrual Basis.

- Gain on Sale of Fixed Assets is recorded when the title is transferred in favor of transferor.

### 5.15 Provisions

Provision is recognized in the balance sheet when the company has a legal or constructive obligation, and, as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and that a reliable estimate can be made for the amount of this obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### 5.16 Financial instruments

#### 5.16.1 Financial asset

The financial assets of the Company mainly include trade debts, loans, deposits, long-term investments, other receivables and cash and bank balances.

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Company, the financial assets of the Company are measured and classified under IFRS 9 as follows;

Trade debts and other financial assets are measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any.

#### 5.16.2 Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. For the purpose of subsequent measurement financial liabilities are either classified at amortized cost or fair value through profit or loss. The Company does not have any financial liability at fair value through profit or loss.

#### 5.16.3 Impairment of financial assets - allowance for expected credit losses

Impairment of financial assets - allowance for expected credit losses ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each date of statement of financial position, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

#### **5.16.4 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **5.16.5 Impairment of non-financial assets**

The carrying amounts of non-financial assets other than inventories and deferred tax assets are assessed at date of statement of financial position to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

#### **5.17 Related Party Transaction**

All transactions with related parties are carried out by the company at mark to market basis with the exception of loan taken from related parties which are interest/mark up free. Prices for these transactions are determined on the basis of admissible valuation methods.

#### **5.18 Loan, Advances and other Receivables**

Loans, advances and other receivables are recognized initially at cost, and subsequently at their amortized/ residual cost.

#### **5.19 Dividends and Appropriation to Reserve**

Dividend and appropriation to reserve and recognized in the financial statements in the period in which these are approved.

#### **5.20 Contingent Liability**

A contingent liability is disclosed in the financial statements unless the possibility of an out flow of resources embodying economic benefits is remote.

#### **5.21 Contingent Assets**

A contingent asset is disclosed where inflow of economic benefits is probable.

#### **5.22 Trade and Other Payables**

Trade and other payables are stated at their cost.

#### **5.23 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**5.24 Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, bank balances

**5.25 Dividend and Appropriation to reserves**

Dividend and appropriation to reserve are recognised in the financial statements in the period in which these are approved.

**5.26 Earnings per share**

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

**6 Issued, Subscribed and Paid-up Capital**

*No. of Ordinary Shares of Rs. 10/- each*

2022	2021		2022	2021
			Rupees	
15,000,000	15,000,000	Fully Paid in cash	150,000,000	150,000,000
<u>15,000,000</u>	<u>15,000,000</u>		<u>150,000,000</u>	<u>150,000,000</u>

6.1 As of the reporting date 20,300 (2021: 20,300) ordinary shares of Rs. 10 each were held by associated companies.

		2022	2021
		Rupees	
<b>7 Trade and Other Payables</b>			
Accrued Expenses		2,204,883	1,309,639
Gratuity Payable	7.1	78,428	78,428
Zakat Payable		381,808	381,808
With holding tax Payable		30,000	30,000
Other Liability		288,934	288,934
Sales tax Payable	18.3	1,786,200	--
		<u>4,770,253</u>	<u>2,088,809</u>

**8 Unclaimed dividend**

As per the provision of Section -242 of the Companies Act, 2017 and directives of the Securities and Exchange Commission of Pakistan vide circular no. 18 dated 01 August, 2017, cash dividend will only paid through electronic mode directly in the bank accounts of shareholders, accordingly this unpaid dividend pertains to those shareholders who did not provided their valid bank accounts details.

	2022	2021
	Rupees	
<b>9 Provision for Taxation</b>		
Balance at the beginning of the year	-	-
Provision made during the year	4,357,850	-
	<u>4,357,850</u>	<u>-</u>
Payment/ Adjusted during the year	-	-
	<u>4,357,850</u>	<u>-</u>

The income tax returns of the company has been filed up to tax year 2021 to income tax department and the assessments of the company have been finalized up to and including the tax year 2020. However, the commissioner of income tax may at any time during a period of five years from the date of filing of return may select the deemed assessment for audit.

Further the management feels that the Provision for tax on Other income will be Provided in the financial statement and the Income tax Return when the Investee company will pay the same after deduction of Income tax on the same interest amount therefore this year no Provision is made in these accounts for the year ended June 30, 2022 on the same amount.

upto the last year as eper the operations of the company is exempt from levy of Income tax under clause 132 of the second Schedule to the income tax ordinance, 2001, therefore, the company has note made provision for taxation in the financial Statement.

## 10 Contingencies and Commitments

10.1 Guarantees issued by banks	nil	nil
10.2 Letters of Credit in respect of committed capital expenditures	nil	nil
10.3 Letters of Credit for other than capital expenditures	nil	nil
10.4 The company did not charge sales tax on Sales made during the years June 30, 2016 to 2021 on Sales amounting to Rs. 148.998 (2020: Rs. 132.964)million.		

## 11 Tangible Fixed Assets

Property, Plant and Equipment	3,535,438	4,364,934
	<u>3,535,438</u>	<u>3,928,347</u>

### Property, Plant and Equipment - At cost less accumulated depreciation

Particulars	2022									
	Cost/Revaluation					Depreciation				Written Down
	As at	Additions /	As at	Rate		As at	For the	As at		Value As At
	July 01, 2021	Transfers/ (Deletion)	Revaluation June 30, 2022	%		July 01, 2021	Transfer/ (Deletion)	year June 30, 2022		June 30, 2022
	Rupees					Rupees				
Owned										
<b>Rental Assets 11.3.</b>										
Factory Building	8,498,610	--	--	8,498,610	10	8,033,475	--	46,513	8,079,989	418,621
Plant and Machinery	57,026,560	--	--	57,026,560	10	53,641,896	--	338,466	53,980,362	3,046,198
Electrical Installations	496,144	--	--	496,144	10	467,697	--	2,845	470,542	25,602
<b>Owned used assets</b>										
Furniture and Fixture	896,000	--	--	896,000	10	846,961	--	4,904	851,865	44,135
Office Equipments	187,700	--	--	187,700	20	187,300	--	80	187,380	320
Air Conditioner and Refrig.	5,900	--	--	5,900	10	5,577	--	32	5,609	291
Vehicles	156,000	--	--	156,000	20	155,667	--	67	155,734	266
Computers	23,500	--	--	23,500	30	23,493	--	2	23,495	5
Jun-21	67,290,414	--	--	67,290,414		63,362,067	--	392,909	63,754,976	3,535,438
Jun-21	67,290,414	--	--	67,290,414		62,925,480	--	436,587	63,362,067	3,928,347
								June 2022	June 2021	
<b>Allocation of Depreciation</b>								Rupees		
Depreciation for the period has been allocated as follows:										
Cost of Services/ Sales								387,825	430,916	
Administrative and General Expense								5,085	5,671	
								392,909	436,587	

11.1 The Building and Plant & Machinery are installed on the associated company's premises where the Company has supplied the plant / machinery on lease during the year.

11.2

Register of fixed assets of the company was illegally removed by the officials of the Income tax department at the time of conducting raid at the company's premises which has not yet been returned. Consequently the same remain not to be updated and could also not made available to the auditors. However, subsequently the Company is maintaining the same in computer.

11.3 During the year from July 1, 2021 the Company has started Power Plant to provide on Rented basis and the Power Plant.



[illegible]

2022 2021

Rupees

## 12 Long Term Investment

Related Parties - at fair value through other Comprehensive income	12.1	42,308,000	45,076,950
Others marketable securities - At Cost	12.2	34,594,845	34,594,845
		<u>76,902,845</u>	<u>79,671,795</u>

### 12.1 Related Parties - at fair value through other Comprehensive income

	Associated Undertakings:						
	2022	2021		Rupees		Rupees	
	No. of Shares/	No. of Shares/		2021		2020	
	Units	Units	Name of Company	Cost	Fair Value	Cost	Fair Value
			Quoted				
12.1.1	701,000	701,000	First Tri Star Modaraba	7,010,000	5,608,000	7,010,000	8,376,950
			Un-quoted				
12.1.2.	3,670,000	3,670,000	Tri-Star Energy Ltd.	36,700,000	36,700,000	36,700,000	36,700,000
				43,710,000	42,308,000	43,710,000	45,076,950
	Less: Provision for diminution in value of investments			1,402,000		(1,366,950)	
				42,308,000		45,076,950	
	The above Companies are associated by virtue of Common Directors ship and the Common Management Control.						
12.1.1	Equity held by Tri-Star Power Ltd., in Tri-Star Energy Ltd., is 3.31% (2021: 3.31%).						
12.1.2.							
	i. The Break-up value of Tri-Star Energy Ltd., is determined on the basis of audited accounts for the year ended June 30, 2020 are not available due to Company's Audited Financial SateMENTS not available.						
	ii. Mr. Asad Ahmad is the Chief Executive of Tri-Star Energy Ltd.						
	iii. Equity held by Tri-Star Power Ltd., in Tri-Star Energy Ltd., is 11.85% (2020: 11.85%).						

## 12.2 Others marketable securities - At Cost

Others:						
2022	2021		Rupees		Rupees	
No. of Shares/ Units	No. of Shares/ Units	Name of Company	2022 Cost	Fair Value	2021 Cost	Fair Value
2,373,080	2,373,080	N.I.T. units	34,594,845	-	34,594,845	-
			34,594,845	-	34,594,845	-
Less: Provision for diminution in value of investments						
			34,594,845		34,594,845	
Average Cost Price Rs. 14.578/Unit						
Market value as at June 30, are as under						
June 30 (2020: June 30) @ Rs. 75.18 . (2020: Rs.54.97) per unit						

**12.2.1** In, September 1996, the Income Tax Authorities raided the Company's premises and took away, by force, all the records, documents, and valuable securities, including FEBC's/Bearer NIT units of all the Group companies, which included the bearer NIT units of the company; without lawful authority and without making any inventory. This raid caused a serious disruption in the company's business. The company has filed a suit against the Income Tax Authorities in the Honorable High Court of Sind, challenging the said act as being illegal. The Honorable High Court of Sind, vide its Order dated July 31, 1998, held that the presence of irregularities and malafides in the act of the Income Tax Department cannot be ruled out. Further, the remaining two ingredients namely balance of convenience and causing irreparable loss and injury, also exists in favor of the company. Further, the Income Tax Department was directed to submit their report keeping in view the provisions of Section 146(c) of The Income Tax Ordinance, 1979, declaring how much more time they would need to return the impounded documents and records. The matter is now in evidence stage.

**12.2.2.** The above investment of the company was illegally removed by the officials of the Income tax department at the time of conducting raid at the company's premises which has not yet been returned. Consequently the same remain to be updated and could also not be made available to the auditors for physical verification.

	2022	2021
	Rupees	
<b>13 Long term Loan to Related Party</b>	20,000,000	20,000,000
	20,000,000	20,000,000
<b>13.1</b>		
As per the Agreement the above loan are unsecured and interest bearing @ 10% (2021:14%) per approx annum. The above loans give the Related Parties to meet the working Capital requirements of the Related Party and the same is not Repayable till next twelve months till June 30, 2023 and extendable if the both parties agreed.		
<b>14 Stores, Spares &amp; Loose Tools</b>		
Stores and Spares	356,349	1,995,549
	356,349	1,995,549
<b>15 Trade Debts - Considered Good</b>		
Local Receivables - Considered Good (An Associated Party)	40,000,930	26,760,930
Considered Doubtful	--	--
	40,000,930	26,760,930
Provision for Doubtful debts	--	--
	40,000,930	26,760,930
<b>15.1</b>		
The aging of debtors (Related Party) at the reporting date was:		
Up to one month	1,145,000	1,186,000
1 to 6 months	5,725,000	5,688,000
More than 6 months	6,870,000	7,240,000
More than one year	26,260,930	12,846,930
	40,000,930	26,960,930
<b>15.2</b>		
Maximum amount due at any month during the year with Related Party amounting to 40.001 million (2021: Rs. 26.761million)		
<b>16 Advance Deposits and Prepayments - Considered good</b>		
Deposits	75,000	75,000
Dividend Receivable	420,600	--
Advance for Purchase	11,000,000	--
	11,495,600	75,000
<b>17 Cash and Bank Balances</b>		
Cash in Hand	44,425,161	44,445,651
Cash at Banks - Current Accounts	97,679	64,334
	44,522,840	44,509,985
<b>17.1</b>		
The Company has conventional banking relationships with all the banks.		

**18 SALES - Net**

Gross Sales		--	14,114,000
Sales Tax		--	--
			14,114,000
Rental Income on Generator	18.1	13,740,000	--
Less: Sales Tax	18.2	(1,786,200)	--
		11,953,800	--
		<u>11,953,800</u>	<u>14,114,000</u>

18.1 During the year from July 1, 2021 the Company entered into an agreement with related party i.e. Image Pakistan Limited to provide Power Plant already installed in the premises of the said Company. The Company previously charged billing of Electricity/ unit basis. Now from July 1, 2021 the same electricity production facility has been provided on rental basis. The tenure of the Agreement is for twelve months from the date of the Agreement and renewable for the further period upon the agreement between both the parties.

18.2 The Company has not filed Sindh Sales tax Returns as the company is in the process of registration with Sindh Revenue Board.

		2022	2021
		Rupees	
<b>19 Cost of Operating Expenses /Sales</b>			
Fuel and Power, Oil and Lubricant		--	6,766,500
Salaries, Wages and Other Benefits		--	1,495,000
Store consumed		1,639,200	709,000
Repairs and Maintenance		1,165,000	836,000
Depreciation		387,825	430,916
		<u>3,192,025</u>	<u>10,237,416</u>
<b>20 Administrative and General Expenses</b>			
Fee and Subscription		357,310	130,200
Auditors Remuneration	20.1	200,000	200,000
Advertisement Expenses		19,500	65,000
Postage		990	700
Registrar Services		258,083	219,865
Depreciation		5,085	5,671
		<u>840,968</u>	<u>621,436</u>
<b>20.1 Auditors Remuneration</b>			
Audit Fee		200,000	200,000
		<u>200,000</u>	<u>200,000</u>
<b>21 Finance Cost</b>			
Bank Charges and Commission		190	205
		<u>190</u>	<u>205</u>
<b>22 Other Charges / Income</b>			
Dividend Income		420,600	70,100
Interest Charge on loan to Related Party		2,000,000	2,010,959
		<u>2,420,600</u>	<u>2,081,059</u>
<b>23 Earnings Per Share - Basic</b>			
Profit after Taxation		<u>5,983,367</u>	<u>5,336,002</u>
Weighted Average Number of Ordinary Shares		<u>15,000,000</u>	<u>15,000,000</u>
Earning Per Share - Basic	Rupees	<u>0.40</u>	<u>0.36</u>

**24 Remuneration of Chief Executive, Director and Executives**

No remuneration or meeting fee has been paid during the year to the Chief Executive, Director and Executives of the Company.

**25 Related Party Transactions**

Related parties comprise subsidiary, associated companies, companies where directors also hold directorship, key management personnel disclosed in note 24 above. Significant transactions with related parties during the year are as under:

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2022	2021
			(Rupees)	(Rupees)
Image Pakistan Ltd	Associated company by virtue of common directorship	Markup for the year	2,000,000	2,010,959
		Loan Recovered during the year		
		Lease Rental Charged	13,740,000	--
		Electricity Sold	--	14,114,000
		Loan receivable	20,000,000	20,000,000
		Maximum Balance due at end	40,000,930	26,960,930
Habib Jamal & Company	Partnership common Control	Purchase of Raw Material	--	6,766,500

The outstanding balance with related parties as at the year-end have been disclosed in the respective notes to the financial statements. All transactions were carried out on commercial terms and conditions and were valued at arm's length price. Remuneration and benefits to key management personnel under the terms of their employment are given in Note 24 above.

	2022	2021
	Rupees	
<b>26 Cash and Cash Equivalents</b>		
Cash and Bank Balances	44,522,840	44,509,985
Short term Running Finances utilized under mark-up arrangements	--	--
	<u>44,522,840</u>	<u>44,509,985</u>

<b>27 Plant Capacity and Production</b>	Mega Watts	Mega Watts
Actual Capacity/Day	10 Mega Watt	10 Mega Watt
Actual Electricity produced	27.1	--
		1,411,400 kWh

27.1 As the reason disclosed in note 1.1 to the Financial statements, therefore, the Actual Production attained has not been determinable due to Production of Electricity depend upon the customer demand after Renting out the Plant.

**28 OPERATING SEGMENT**

These financial statements have been prepared on the basis of single segment basis.

in the year 2022 the Company Charged Rental on the Plant (2021: Revenue from sales of Electricity 100% of total revenue.)

All non current assets of the Company as at June 30, 2022 are located in Pakistan.

Revenue from single major customer of the Company represent 100% (2021: 100%) of total revenue of the Company

**29 Financial Instruments**

The Company has exposures to the following risks from its use of financial instruments:

Credit Risk

Liquidity Risk

Market Risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

### 29.1 Credit Risk

Credit risk is the risk that one party to the financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Company believes that it is not exposed to major concentration of credit risk. However, to reduce exposure to credit risk, if any, the management monitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery.

The maximum exposure to credit risk at the reporting date is:

	2022	2021
	Rupees	
Long term loan to related party	20,000,000	20,000,000
Long Term Investment	76,902,845	79,671,795
Debtors	40,000,930	26,760,930
Cash with Banks in Current Accounts	44,522,840	44,509,985
	<u>181,426,615</u>	<u>170,942,710</u>

### 29.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liability when due.

The company is exposed to liquidity risk in respect of non current interest bearing liabilities, short term borrowings, trade and other payable and mark up accrued.

Particulars	2022				
	Carrying Amount	Contractual Cash Flows	Six months or Less	Six to twelve months	One to two year
Rupees					
<b>Financial Liabilities</b>					
Trade and other payables	4,770,253	4,770,253	4,292,670	477,583	-
Unclaimed Dividend	5,025,285	5,025,285	5,025,285		
	<u>9,795,538</u>	<u>9,795,538</u>	<u>9,317,955</u>	<u>477,583</u>	<u>-</u>
2021					
Particulars	Carrying Amount	Contractual Cash Flows	Six months or Less	Six to twelve months	One to two year
	Rupees				
<b>Financial Liabilities</b>					
Trade and other payables	2,088,809	2,088,809	541,865	1,546,944	-
Unclaimed Dividend	5,025,285	5,025,285	5,025,285		
	<u>2,088,809</u>	<u>2,088,809</u>	<u>541,865</u>	<u>1,546,944</u>	<u>-</u>

### 29.3 Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate resulting in as a result of changes in market prices or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

### 29.4 Currency Risk

Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not exposed to foreign currency risk on foreign currency assets and liabilities.

### 29.5 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates, At the balance sheet date there no interest rate profile of the Company.

## 29.6 Risk Management Policies

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

## 29.7 Capital Risk Management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensurate to the circumstances.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholder. Debt is calculated as total borrowings ('long term loan' and 'short term borrowings' as shown in the balance sheet) (The Company has no Long term and short term Loans). Total capital comprises share holders' equity as shown in the balance sheet under 'share capital and reserves'.

	2022	2021
	Rupees	
Total Borrowings	--	--
Less: Cash and Bank Balances	44,522,840	44,509,985
Net Debt	44,522,840	44,509,985
Total Equity	186,901,799	183,687,382
Total Capital	(142,378,959)	(139,177,397)
	<u>(0.31)</u>	<u>(0.32)</u>
Gearing Ratio		

## 29.8 Fair Value of Financial Instruments

Fair value is an amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date the fair value of all financial assets and liabilities are estimated to approximate their carrying values and Disclosed in relevant notes to the financial Statements.

## 30 Number of Employees

Number of persons employed contractual and Permanent as at year end were nil (2021: 6) and the average number of persons employed during the year were nil (2021: 6).

## 31 General

a. Figures have been rounded off to the nearest rupee.

### b. Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. The financial Statements are presented in Pakistani rupees, which is the Company's functional and Presentational

### c. Corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary for Comparison.

Chief Executive

Director

Chief Financial Officer

**Pattern of Shareholding**  
**As At June 30, 2022**

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
822	1 -	100	74,961
2,562	101 -	500	1,083,453
841	501 -	1,000	802,788
731	1,001 -	5,000	1,834,408
122	5,001 -	10,000	957,310
32	10,001 -	15,000	415,700
41	15,001 -	20,000	764,584
26	20,001 -	25,000	594,000
16	25,001 -	30,000	447,996
10	30,001 -	35,000	332,500
9	35,001 -	40,000	345,600
7	40,001 -	45,000	301,000
8	45,001 -	50,000	396,500
2	50,001 -	55,000	106,500
1	55,001 -	60,000	58,000
2	60,001 -	65,000	129,000
2	65,001 -	70,000	137,500
2	75,001 -	80,000	159,000
1	80,001 -	85,000	82,500
2	85,001 -	90,000	177,000
2	95,001 -	100,000	199,000
2	105,001 -	110,000	218,400
2	115,001 -	120,000	234,500
2	120,001 -	125,000	248,500
2	125,001 -	130,000	255,300
1	130,001 -	135,000	132,000
1	135,001 -	140,000	140,000
2	140,001 -	145,000	289,500
1	150,001 -	155,000	151,000
1	165,001 -	170,000	165,500
2	195,001 -	200,000	400,000
1	210,001 -	215,000	212,000
1	305,001 -	310,000	308,000
1	625,001 -	630,000	630,000
1	735,001 -	740,000	736,000
1	1,475,001 -	1,480,000	1,480,000
<b>5,262</b>			<b>15,000,000</b>

## Proxy Form

I, \_\_\_\_\_ of \_\_\_\_\_ being a member of Tri-Star Power Ltd., Karachi and holder of \_\_\_\_\_ Shares as per R.F. No. \_\_\_\_\_ and/or CDC Participant I.D. No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my proxy to attend and vote for me and on my behalf at the Annual General Meeting of the Company to be held on October 28, 2022 at F/538, S.I.T.E., Karachi and at any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

Signed by the said \_\_\_\_\_

Please affix Rs. 5/- Revenue Stamp
---

To be signed over Revenue Stamp

- IMPORTANT:**
- a) This form of proxy duly completed must be received at the office of the Company at F/538, S.I.T.E., Karachi, not later than 48 hours before the time of holding the meeting.
  - b) CDC Shareholders and their Proxies must each attach an attested photocopy of their National Identity Card or Passport with their proxy form.
  - c) A proxy should also be a share holder of the Company.